

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/05 To (mo./yr.) 01/06
2. DOGM File Number (Mine No): M37 0022
3. Mine Name: Small Fry
4. Mineral(s) Mined (or permitted to mine): Uranium
5. Type of mine: ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):
Salt Lake Meridian 1/4, ___ 1/4, ___ 1/4, Section 33, 34, Township 29S, Range 24E
San Juan County 1/4, ___ 1/4, ___ 1/4, Section 27, 34, Township 29 1/2 S, Range 24E
___ 1/4, ___ 1/4, ___ 1/4, Section ___, Township ___, Range ___
7. Name of Operator or Company: MolyCorp, Inc.
8. Permanent Street Address: P.O. Box 469 (3.5 miles east of Questa on SR 38)
City, State, Zip: Questa, NM, 87556
Phone: 505-586-7603 Fax: 505-586-0811 E-mail: rchern@molycorp.com
9. Company Representative (or designated operator):
Name: John Vialpando
Title: Vice-President Operations
Business Address: MolyCorp, Inc P.O. Box 469
City, State, Zip: Questa, NM, 87556
Phone: 505-586-7603 Fax: 505-586-0811 E-mail: jvialpando@molycorp.com
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? none

Reviewed
10/5/06
MJB

RECEIVED
JAN 30 2006
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3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. NONE
4. Briefly describe the type of work performed, during the past year. NONE
5. How much **new or additional acreage** was disturbed during the past year? NONE
6. How much acreage was **reclaimed** during the past year? no additional (~6 acres previously)
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release).
Inspected vegetation/reclamation with senior reclamation biologist, Paul Baker. Vegetation growth was progressing nicely.
8. What is the **total** disturbed acreage of entire project at years end? NONE
9. Briefly summarize any mining and/or reclamation plans for the upcoming year.
Hire 3rd party consultant to perform vegetation survey in expectation of receiving formal release in 2006.
10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.**

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): JOHN VIALPANDO
Title of Operator: VICE PRESIDENT, OPERATIONS
Signature of Operator: [Signature]
Date: 1/24/06